



***MISSOURI
HEALTH CARE
RESPONSIBILITY REPORT***

***Third Quarter 2008
July – September, 2008***

*Missouri Department of Social Services
MO HealthNet Division
January 31, 2009*

CONTACT INFORMATION

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MISSOURI HEALTH CARE RESPONSIBILITY REPORT

Introduction

On November 27, 2006, Governor Matt Blunt signed Executive Order 06-45, directing the Missouri Department of Social Services (DSS) to prepare a Medicaid beneficiary employer report to be submitted to the Governor on a quarterly basis and to be known as the Missouri Health Care Responsibility Report.

In the 2007 legislative session, the Missouri General Assembly enacted Senate Bill 577, which transformed the Missouri Medicaid program into MO HealthNet (MHN). Section 208.230 of SB 577 is known as the “Public Assistance Beneficiary Employer Disclosure Act.” It directs the Department of Social Services to prepare a MO HealthNet beneficiary employer report. The requirements of Section 208.230 and Executive Order 06-45 are virtually identical.

Data Confidentiality

The Department of Labor and Industrial Relations (DOLIR) maintains a database of employers, employees, and wage information for the purpose of administration of the state unemployment compensation program. United States Department of Labor regulations (20 CFR 603) govern how such information can be used and under what circumstances the information can be made available to others. Federal regulations allow the disclosure of normally confidential information to public officials for use in their official duties, but do not allow public disclosure of confidential information. Therefore, without statutory changes, the report must be limited to non-identifiable data regarding individual employers. Wherever possible, DSS has used aggregated data to describe the employed population that receives MHN benefits and services.

A more detailed explanation of the methodology used to compile the report follows the summary data shown on the next two pages.

SUMMARY DATA
MISSOURI HEALTH CARE RESPONSIBILITY REPORT
April to June, 2008

Number of Employees and Family Members Included in the Report

A total of 448,374 MHN enrollees were employed during the quarter or were the spouse or child of an employed individual. However, only 177,089 of these are associated with an employer with 50 or more such individuals and are included in this report.

Percentage of Workforce

Six hundred and thirty-eight (638) companies were identified as employing fifty (50) or more individuals who either received MHN benefits or were responsible for a spouse or child who received such benefits. These companies employed a total of 911,140 individuals in the State of Missouri. The Department of Social Services identified 87,234 individuals who were MHN enrollees or were responsible for a family member who was enrolled in MHN. Therefore, 9.6% of the workforce of these companies received MHN benefits for themselves or their families.

Number of MHN Enrollees for Employers with Fifty or More Individuals

MHN Enrolled Employees (E)	41,998
Employees with MHN Enrolled Family Members (N)	45,236
Total Employees (E + N)	87,234
MHN Enrolled Spouses (S)	6,873
MHN Enrolled Children (C)	128,218
Total MHN Enrollees (E + S + C)	177,089

Insurance Coverage

Based on a survey of employers conducted by DSS contractor, IFOX, 70% of the employers provide insurance for their full-time employees and their family members. As shown below, coverage for part-time employees was far less likely to be available.

Percentage of All Employers Surveyed Providing Coverage for:	Full-Time Employees	Part-Time Employees	Spouses	Children
Yes	70%	26%	69%	69%
No	2%	47%	3%	3%
Unknown	27%	28%	28%	28%

Cost to the State of Missouri

The total cost to date to the State of Missouri for providing MHN coverage to these employees and their family members is \$106.6 million during the quarter covered by the report.

HIPP Enrollees	488
HIPP Payments	\$113,726
Title XIX Cost	\$105,319,991
Title XXI Cost	\$1,157,065
Other Cost	\$35,894
Total Cost	\$106,626,676
Total MHN Enrollees (E + S + C)	177,089
Per Capita/PMPM Cost	\$200.70

It should be noted that receipt of MO HealthNet claims often lags for several months. Most bills are received and paid within six months. An updated report will be issued each quarter for up to one year to account for claims that were received and processed after the initial report was produced.

Industry Sectors

The tables that follow break down the statewide data into industry sectors. Some companies are associated with more than one industry sector. Employees of the State of Missouri, for instance, are distributed across four sectors: Information, Educational Services, Health Care and Social Assistance, and Public Administration.

Methodology

The Department of Social Services formed a working team of representatives from the MO HealthNet Division (MHD); the Family Support Division (FSD); the Information Technology and Services Division (ITSD) of the Office of Administration (OA); the Research and Evaluation Section of the DSS Center for Management Information (DSS/R&E); and Info Crossing (IFOX), the MHN claims administrator, to design, gather data, program, and produce the report. DSS also received assistance and data from the Department of Labor and Industrial Relations (DOLIR), which maintains wage information on employed Missourians, and the Personnel Division of OA, which maintains state employee records.

Compiling the data for the report requires combining eligibility data from DSS; wage data from DOLIR; state employee data from OA; and MO HealthNet claims data from IFOX.

The steps in the process are outlined below:

- At the end of the quarter, DOLIR provides a computer file to FSD/FAMIS and ITSD that includes all wages paid during the quarter for each employee and identifying

information for the employer, including the number of employees for whom wages were paid by that employer during the quarter.

- FSD/FAMIS and ITSD match the wage file from DOLIR against DSS eligibility files to determine those employees who were eligible for MO HealthNet benefits at any time during the quarter and/or were responsible for a MO HealthNet eligible spouse or child. Since the DOLIR file contains only wage information and does not contain employment dates, DSS includes all individuals who received both wages and MHN benefits at any time during the quarter. (With respect to state employees, DSS takes the additional step of sending a file to the Division of Personnel in the Office of Administration to identify more precise employment dates.)
- FSD/FAMIS and ITSD add a code to the file for each individual. The code indicates if the individual is an employee who receives MO HealthNet benefits (E); an employee who does *not* receive MO HealthNet benefits, but is responsible for a spouse or child who does (N); an eligible spouse of an employed individual (S); or an eligible child of an employed individual (C). FSD/FAMIS and ITSD send both files to DSS/R&E.
- DSS/R&E combines the two files and eliminates all employees who work for employers that employ fewer than fifty (50) MO HealthNet beneficiaries or persons responsible for a MO HealthNet beneficiary.
- To determine the cost of MHN coverage, IFOX matches the file of employees against MO HealthNet claims and HIPP payment data. The total MHN cost includes Title XIX claims, Title XXI claims, and HIPP premium payments. (HIPP premium payments are made when a MO HealthNet enrollee has access to employer sponsored health insurance and it is more cost effective to pay the healthcare premium for the individual rather than to provide traditional MHN coverage. In such cases, the private insurance becomes the primary carrier. MHN is the secondary carrier and only pays for those services not covered by the primary carrier.)
- To obtain insurance information IFOX conducts a telephone survey of all the employers included in the report.
- Limiting costs to services received within the same quarter in which wages were paid will understate costs in the initial quarterly report because of the inevitable lag between when services are delivered and when they are billed and paid. Based on historical data, approximately 85% of all claims are submitted and paid within three months from the date of service, while 93% are submitted and paid within six months. Therefore, DSS will save the data for each quarter's recipients and re-run the claims data in subsequent quarters in order to add payments made after the end of the quarter in question. Each subsequent quarterly report will include information from the current quarter, as well as updated data for previous quarters for up to one year.

- DSS/R&E computes the per capita cost. The per capita cost is expressed in the report as a “per member, per month” (PMPM) cost. The PMPM cost is determined by dividing the total cost (Title XIX, Title XXI, Other, and HIPP payments) by the number of MHN enrollees (E + S + C). The quarterly cost is then divided by three months in order to obtain a monthly cost.
- DSS/R&E compiles the report for publication.

Data which is Unavailable

There is no central source or data base maintained by any agency of state government for three data elements that are required for the preparation of the Missouri Health Care Responsibility Report:

- whether the employer offers health insurance to its full-time and part-time employees and their dependents;
- the hours worked by the individual for each employer; and
- the employment dates for each individual for each employer.

DSS addressed the first by conducting a telephone survey requesting the information from all employers included in the report. The absence of the other two data elements prevents DSS from reporting whether or not individuals are employed full-time or part-time. It also prevents a direct correlation between dates of employment and MHN eligibility.

TABLE 1 WORKFORCE PARTICIPATION BY SECTOR CODES
MISSOURI HEALTH CARE RESPONSIBILITY - JULY-SEPTEMBER, 2008

Sector Name	Sector Codes	Total Workforce	MHN Enrolled Employees and Financially Responsible Employees (E+N)	Percentage of Workforce With an employee and/or Family Member Enrolled in MHN
Agriculture, Forestry, Fishing, and Hunting	11	395	54	14%
Construction	23	21,346	784	4%
Manufacturing	31, 32, and 33	51,035	4,531	9%
Wholesale Trade	42	3,374	332	10%
Retail Trade	44 and 45	183,299	19,489	11%
Transportation and Warehousing	48 and 49	27,096	2,413	9%
Information	51	11,969	594	5%
Finance and Insurance	52	22,668	1,407	6%
Real Estate and Rental Leasing	53	3,418	477	14%
Professional, Scientific, and Technical Services	54	3,454	444	13%
Management of Companies and Enterprises	55	3,783	187	5%
Administrative Support; Waste Management and Remediation Services	56	103,988	16,886	16%
Educational Services	61	114,697	3,402	3%
Health Care and Social Assistance	62	166,177	17,915	11%
Arts, Entertainment, and Recreation	71	12,131	716	6%
Accommodation and Food Services	72	99,994	13,824	14%
Other Services (except Public Administration)	81	11,437	1,184	10%
Public Administration	92	70,879	2,595	4%
TOTAL		911,140	87,234	10%

TABLE 2 PARTICIPANT COUNTS BY SECTOR CODES
MISSOURI HEALTH CARE RESPONSIBILITY - JULY-SEPTEMBER, 2008

NAICS Sector	Sector Codes	Employees with MHN			MHN Enrolled Spouses (S)	MHN Enrolled Children (C)	Total MHN Enrollees (E + S + C)
		MHN Enrolled Employees (E)	Enrolled Family Members (N)	Total Employees (E + N)			
Agriculture, Forestry, Fishing, and Hunting	11	8	46	54	10	77	95
Construction	23	367	417	784	74	967	1,408
Manufacturing	31, 32, and 33	1,435	3,096	4,531	713	6,983	9,131
Wholesale Trade	42	167	165	332	21	512	700
Retail Trade	44 and 45	9,474	10,015	19,489	1,794	27,638	38,906
Transportation and Warehousing	48 and 49	866	1,547	2,413	196	4,251	5,313
Information	51	275	319	594	62	816	1,153
Finance and Insurance	52	565	842	1,407	80	2,247	2,892
Real Estate and Rental Leasing	53	196	281	477	28	792	1,016
Professional, Scientific, and Technical Services	54	229	215	444	48	581	858
Management of Companies and Enterprises	55	107	80	187	19	251	377
Administrative Support; Waste Management and Remediation Services	56	9,713	7,173	16,886	1,575	25,731	37,019
Educational Services	61	1,037	2,365	3,402	215	5,401	6,653
Health Care and Social Assistance	62	8,122	9,793	17,915	1,042	28,414	37,578
Arts, Entertainment, and Recreation	71	347	369	716	41	1,175	1,563
Accommodation and Food Services	72	7,617	6,207	13,824	850	19,831	28,298
Other Services (except Public Administration)	81	574	610	1,184	59	1,855	2,488
Public Administration	92	899	1,696	2,595	46	696	1,641
Total		41,998	45,236	87,234	6,873	128,218	177,089

TABLE 3 - ACCESS TO INSURANCE BY SECTOR CODES
MISSOURI HEALTH CARE RESPONSIBILITY - JULY - SEPTEMBER, 2008

NAICS Sector	Sector Code	Full-Time Coverage			Part-Time Coverage			Spouse Coverage			Child(ren) Coverage		
		Yes	No	Unknown	Yes	No	Unknown	Yes	No	Unknown	Yes	No	Unknown
Agriculture, Forestry, Fishing, and Hunting	11	100%	0%	0%	0%	100%	0%	100%	0%	0%	100%	0%	0%
Construction	23	100%	0%	0%	40%	60%	0%	100%	0%	0%	100%	0%	0%
Manufacturing	31-33	79%	3%	17%	3%	77%	20%	79%	3%	17%	79%	3%	17%
Wholesale Trade	42	75%	0%	25%	0%	75%	25%	75%	0%	25%	75%	0%	25%
Retail Trade	44 -45	61%	0%	39%	18%	42%	40%	58%	0%	42%	58%	0%	42%
Transportation and Warehousing	48-49	80%	0%	20%	40%	40%	20%	80%	0%	20%	80%	0%	20%
Information	51	83%	0%	17%	17%	67%	16%	83%	0%	17%	83%	0%	17%
Finance and Insurance	52	67%	0%	33%	33%	33%	33%	67%	0%	33%	67%	0%	33%
Real Estate and Rental Leasing	53	80%	0%	20%	60%	20%	20%	80%	0%	20%	80%	0%	20%
Professional, Scientific, and Technical Services	54	75%	0%	25%	0%	75%	25%	75%	0%	25%	75%	0%	25%
Management of Companies and Enterprises	55	0%	0%	100%	0%	0%	100%	0%	0%	100%	0%	0%	100%
Administrative Support; Waste Management and Remediation Services	56	59%	9%	32%	28%	39%	33%	59%	9%	32%	59%	9%	32%
Education Services	61	93%	0%	7%	30%	63%	7%	93%	0%	7%	93%	0%	7%
Health Care and Social Assistance	62	73%	2%	25%	24%	51%	25%	71%	4%	25%	74%	4%	25%
Arts, Entertainment, and Recreation	71	67%	0%	33%	17%	50%	33%	67%	0%	33%	67%	0%	33%
Accommodation and Food Services	72	67%	1%	32%	34%	35%	31%	66%	1%	33%	66%	1%	33%
Other Services (except Public Administration)	81	88%	0%	12%	38%	50%	12%	88%	0%	12%	88%	0%	12%
Public Administration	92	100%	0%	0%	0%	100%	0%	100%	0%	0%	100%	0%	0%
Total		70%	2%	27%	26%	47%	28%	69%	3%	28%	69%	3%	28%

TABLE 4. PARTICIPANT COSTS BY SECTOR CODES
MISSOURI HEALTH CARE RESPONSIBILITY - JULY-SEPTEMBER, 2008

NAICS Sector	Sector Codes	HIPP Enrollees	HIPP Payments	Title XIX Cost	Title XXI Cost	Other Cost	Total Cost (XIX, XXI, HIPP & Other)	Total MHN Enrollees (E + S + C)	PMPM Cost
Agriculture, Forestry Fishing, and Hunting	11	0	\$0	\$48,146	\$1,364	\$0	\$49,510	95	\$174
Construction	23	11	\$2,296	\$806,330	\$9,895	\$80	\$818,600	1,408	\$194
Manufacturing	31, 32, and 33	109	\$18,324	\$3,876,696	\$136,282	\$650	\$4,031,953	9,131	\$147
Wholesale Trade	42	0	\$0	\$479,975	\$3,667	\$13	\$483,656	700	\$230
Retail Trade	44 and 45	106	\$23,292	\$22,115,950	\$329,098	\$6,403	\$22,474,743	38,906	\$193
Transportation and Warehousing	48 and 49	9	\$3,656	\$2,439,571	\$37,620	\$67	\$2,480,914	5,313	\$156
Information	51	1	\$208	\$448,562	\$10,165	\$1,290	\$460,225	1,153	\$133
Finance and Insurance	52	13	\$4,221	\$1,309,185	\$19,171	\$1,903	\$1,334,479	2,892	\$154
Real Estate and Rental Leasing	53	0	\$0	\$545,121	\$7,826	\$52	\$552,999	1,016	\$181
Professional, Scientific, and Technical Services	54	5	\$2,003	\$504,845	\$5,380	\$240	\$512,468	858	\$199
Management of Companies and Enterprises	55	0	\$0	\$179,257	\$977	\$0	\$180,234	377	\$159
Administrative Support; Waste Management and Remediation Services	56	22	\$4,928	\$20,749,009	\$127,792	\$2,435	\$20,884,164	37,019	\$188
Educational Services	61	30	\$9,067	\$3,524,679	\$62,591	\$808	\$3,597,145	6,653	\$180
Health Care and Social Assistance	62	123	\$30,347	\$28,345,412	\$295,450	\$5,822	\$28,677,031	37,578	\$254
Arts, Entertainment, and Recreation	71	0	\$0	\$850,732	\$3,014	\$16	\$853,762	1,563	\$182
Accommodation and Food Services	72	23	\$4,530	\$16,974,168	\$91,539	\$6,976	\$17,077,213	28,298	\$201
Other Services (except Public Administration)	81	22	\$9,277	\$1,436,438	\$12,233	\$875	\$1,458,824	2,488	\$195
Public Administration	92	14	\$1,578	\$685,914	\$3,000	\$8,263	\$698,755	1,641	\$142
Total		488	\$113,726	\$105,319,991	\$1,157,065	\$35,894	\$106,626,676	177,089	\$201



MATT BLUNT
GOVERNOR

**MISSOURI DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
OFFICE OF GENERAL COUNSEL**

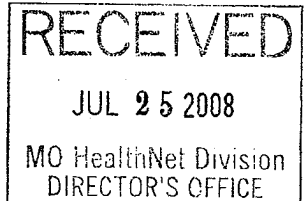
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TODD SMITH
DEPARTMENT DIRECTOR

MATTHEW W. MURPHY
GENERAL COUNSEL

July 23, 2008

Judith Muck
Deputy Division Director
Missouri Health Net Division
221 West High Street
P.O. Box 1527
Jefferson City, MO 65102-1527



Dear Judy,

This letter is in response to your request that the Missouri Department of Labor and Industrial Relations (DOLIR) provide a written statement of its position regarding your request to use unemployment data derived from DOLIR to complete the Missouri Health Care Responsibility Report required by section 208.230, RSMo.

The United States Department of Labor has promulgated regulations, found at 20 CFR part 603, regarding the use and disclosure of unemployment information. The federal regulations define "Confidential Information" as "information in the records of a State or State UC [unemployment] agency that pertains to the administration of the State UC law." (See 20 CFR 603.2(b) and (j)).

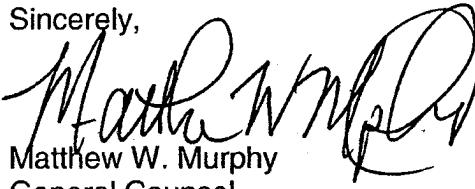
It appears that DSS intends to use unemployment information to determine the number of employees a specific employer has and the percentage of an employer's workforce that receives or that has dependents who receive MO HealthNet benefits. This information is considered "confidential" pursuant to the federal regulations. Although they allow the disclosure of confidential information to a public official (such as DSS) for use in its official duties, the regulations do not allow a public official to make a public redisclosure of confidential information that is not for unemployment administration purposes. (See 20 CFR 603.9(c)(2) and 603.9(b)). Thus, if DSS needed to prepare this report only to be viewed by the Governor or the Legislature, DOLIR could authorize that use (with the requirement that those officials could not redisclose the information). The problem is that 288.230.5 requires DSS to make this report available to the public – disclosing confidential unemployment information in this manner would violate the federal confidentiality regulations.

As we discussed, DOLIR can authorize DSS to receive individual records for use in the report, if the report that is made publicly available contains only aggregated data from which no individual employer or employee can be identified. The regulations exclude such aggregated data from the definition of "confidential information."

Judith Muck
July 23, 2008
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I understand DSS' statutory obligation to provide the Missouri Health Care Responsibility Report. If there is any means by which DOLIR can fulfill your needs while complying with the applicable federal regulations, we will certainly accommodate. Please let me know if I may be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew W. Murphy". The signature is fluid and cursive, with the first name "Matthew" being the most prominent part.

Matthew W. Murphy
General Counsel

c: Todd Smith, Director